

REPORT OF THE FINANCE COMMITTEE

MARCH 16, 2016

A meeting of the Finance Committee was held on Wednesday, March 16, 2016, at 7:00 p.m. in the Aldermanic Chamber.

Mayor Jim Donchess, Chair, presided.

Members of the Committee present: Alderman-at-Large Mark S. Cookson, Vice Chair
Alderman-at-Large Lori Wilshire
Alderman-at-Large Michael B. O'Brien
Alderman June M. Caron
Alderman Ken Siegel

Members not in Attendance: Alderman Benjamin M. Clemons

Also in Attendance: John Griffin, CFO/Comptroller
Dan Kookan, Purchasing Manager

PUBLIC COMMENT

COMMUNICATIONS

From: Dan Kookan, Purchasing Manager
Re: Award of Library HVAC Maintenance Agreement (Value: Not To Exceed \$15,000)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND, CONTINGENT UPON BOARD OF ALDERMEN APPROVAL, AWARD THE MULTI-YEAR CONTRACT TO PALMER & SICARD IN AN AMOUNT NOT-TO-EXCEED \$15,000. SOURCE OF FUNDING IS DEPARTMENT 179, LIBRARY, GENERAL FUND OPERATING BUDGET, 54 PROPERTY SERVICES
MOTION CARRIED

From: Dan Kookan, Purchasing Manager
Re: Cartegraph Systems Amendment #2 (Value: \$15,000)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AUTHORIZE AMENDMENT #2 TO THE CONTRACT WITH CARTEGRAPH SYSTEMS, INC. IN THE AMOUNT OF \$15,000. SOURCE OF FUNDING IS DEPARTMENT 161, STREETS; GENERAL FUND OPERATING BUDGET; 55 OTHER SERVICES (\$7,500) AND DEPARTMENT 169, WASTEWATER; SEWER REHAB (\$7,500)

ON THE QUESTION

Alderman Wilshire

Where are we in the process?

Mayor Donchess

Public Works thinks that we will be able to finish this in the next month or so and get all the streets into the system. They are loading all of the data into the new software system. They think they can do it in the next 30 days. As you, I'm sure recall, we will then use that as a basis to evaluate a broader street paving program.

MOTION CARRIED

From: Dan Kookan, Purchasing Manager
Re: Purchase of One (1) New 2014 Ford Transit Connect Wagon XLT (Value: \$24,357)

MOTION BY ALDERMAN SIEGEL TO ACCEPT, PLACE ON FILE AND AWARD THE CONTRACT TO STONEHAM MOTOR CO., IN THE AMOUNT OF \$24,357. SOURCE OF FUNDING IS DEPARTMENT 130, PURCHASING; 2016 CERF-VEHICLES (\$20,357) AND DEPARTMENT 128, RISK MANAGEMENT (\$4,000)

ON THE QUESTION

Alderman Siegel

Is there any insurance from a third party that might be involved in this? It was totaled but there was no circumstances given in which it was totaled.

Mr. Kookan

There were no citations issued. There was no insurance claim on this. Risk self-insures.

Alderman Siegel

I understand the way Risk Management works, and I understand our self-insurance. This implies that this vehicle was totaled as pretty much a 100 percent of the fault of a city employee driving it. If that's the case, fine. I understand. If not, I would think there would be some sort of a settlement that would be claimed from a third party.

Mr. Kookan

I'm not aware of anything being pursued on that at all.

Alderman Wilshire

What is the \$4,000 reimbursement from the Risk Department about?

Mr. Kookan

That's what they assigned as the value of the totaled vehicle.

Alderman Siegel

I'm okay with the expense. Can we at least have some sort of a follow up at some point with finding out if we can get a bit of reimbursement on that?

Mr. Kookan

I can follow up with Risk and see if they took any additional steps beyond what I was aware of.

Mayor Donchess

I'm sure you will be at our next meeting and could report back next time.

MOTION CARRIED

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

R-16-016

Endorsers: Mayor Jim Donchess
Alderman Ken Siegel
Alderman-at-Large Brian S. McCarthy
Alderwoman Mary Ann Melizzi-Golja

**AUTHORIZING THE CITY OF NASHUA TO ENTER INTO A FIRST AMENDMENT TO
LEASE AGREEMENT WITH MAKEIT LABS FOR A PORTION OF 25 CROWN STREET**

MOTION BY ALDERMAN SIEGEL TO RECOMMEND FINAL PASSAGE

ON THE QUESTION

Alderman Cookson

As I read the resolution, it's a five-year term with the option for five additional years. It's only at the second set of five that you see a 3 percent increase annually on the expense that Makelt Labs would provide. What's happening in the first five years?

Mayor Donchess

As I recall the lease, they work up gradually to a lease payment, gradually over a period of five years, to a lease payment of about \$30,000 a year to give them time to become financially viable enough to pay the rent that's called for in the lease. When they reach the \$30,000 threshold, I believe it then goes up at a cost of living.

Alderman Cookson

This issue I have is we don't actually have the lease in front of us. We have the sections of the lease that are either amended or are being added into this particular lease. It makes reference within the notes, and I can't find it right now, as I recall it makes reference to something similar as to what's below. Again, we don't have the lease in front of us. I'm not sure what I'm agreeing to for the first five years. I think the second set of five years is perfectly spelled out. But I have no idea what I'm agreeing to in the first five years.

Mayor Donchess

There's no problem in circulating copies of the underlying document so you can see that. There's not a big rush that this has to be approved tonight. We could circulate the underlying documents and then take it up again next time if you would like to table it.

Alderman Cookson

I wouldn't move to table. I'm making an observation and I'd like the conversation to continue.

Alderman Siegel

The original lease came before Finance last term. I don't have the exact financials in my head, but one of the specific things I do remember is this building not only started off in bad shape, but by the time they actually took possession of the building, it had gotten way worse to the point I believe all of the copper piping had been stripped out at that point. As I recall as an alderman, the fees that they were paying, if it were me, I'd probably would have renegotiated the lease given the condition of the building once I took possession. I thought they were very good about it. They went in, they completely rehabbed the building. I don't know if you've been in

there. To me, they have more than abided by the terms of the original lease, and they have added a very, very significant amount of value to that lease. Now this extension says whatever was in place we're now going to take the rent and roll it up three percent a year which is actually fairly substantial to be honest with you. God bless. The city is getting a very good deal especially because they are a fantastic tenant.

Mayor Donchess

I don't have a problem if someone wants to table or make a motion in terms of bringing back the underlying documents. Just to give some color to the situation, I did go over there this week. They have done an incredibly good job in terms of renovating the space that they are now occupying. They are looking at kind of a three-phased program. The first phase they have renovated a majority of the downstairs. Then they are going to move to a renovation of the remainder of the downstairs, not so much for the manufacturing functions but to house people who want to work out of that place, members who have remote working assignments. Then there is an upstairs which is even rougher that they ultimately hope to renovate for more of a tech-related incubator type space. They have been allocated tax credits by the Community Development Finance Authority, and they are trying to sell these tax credits to help raise money. They are doing a superb job in terms of making this space something that's much more habitable than it was before which, of course, accrues to the benefit of the city as the owner. I think the request to bring in the underlying documents to review them is certainly a reasonable request, if someone wants to make the motion to table. I

MOTION CARRIED

NEW BUSINESS – ORDINANCES – None

DISCUSSION

Alderman Wilshire

What is with the static with the microphones? I've noticed it. I don't know if it's coming from that side of the room.

Alderman O'Brien

I don't have any static.

Alderman Wilshire

It's stopped but for the first 10-15 minutes that's all you heard was static.

Unidentified Speaker

The amplifier is being replaced tomorrow.

Mayor Donchess

So we got the answer. There's a problem with the amplifier, and it's being replaced tomorrow.

RECORD OF EXPENDITURES

**MOTION BY ALDERMAN SIEGEL THAT THE FINANCE COMMITTEE HAS COMPLIED
WITH THE CITY CHARTER AND ORDINANCES PERTAINING TO THE RECORD OF EXPENDITURES
FOR THE PERIOD TO FEBRUARY 26, 2016 TO MARCH 10, 2016
MOTION CARRIED**

PUBLIC COMMENT – None

NON-PUBLIC SESSION

MOTION BY ALDERMAN SIEGEL THAT THE FINANCE COMMITTEE GO INTO NON-PUBLIC SESSION BY ROLL CALL PURSUANT TO RSA 91-A:3,II(A) REGARDING THE DISMISSAL, PROMOTION OR COMPENSATION OF A PUBLIC EMPLOYEE

SECONDED BY ALDERMAN WILSHIRE

A Viva Voce Roll Call was taken, which resulted as follows:

Yea:	Mayor Donchess, Alderman Cookson, Alderman Wilshire	6
	Alderman O'Brien, Alderman Caron, Alderman Siegel	0

Nay:

MOTION CARRIED

The finance committee went into non-public session at 7:15 p.m.

MOTION BY ALDERMAN SIEGEL TO COME OUT OF THE NON-PUBLIC SESSION AND RETURN TO THE FINANCE COMMITTEE MEETING

MOTION CARRIED

MOTION BY ALDERMAN SIEGEL THAT THE FINANCE COMMITTEE SEAL THE MINUTES OF THE NON-PUBLIC SESSION BY ROLL CALL UNTIL SUCH TIME AS THE MAJORITY OF THE COMMITTEE VOTES THAT THE PURPOSE OF THE CONFIDENTIALITY WOULD NO LONGER BE SERVED

A Viva Voce Roll Call was taken, which resulted as follows:

Yea:	Mayor Donchess, Alderman Cookson, Alderman Wilshire
	Alderman O'Brien, Alderman Caron, Alderman Siegel

Nay:

MOTION CARRIED

ADJOURNMENT

MOTION BY ALDERMAN WILSHIRE TO ADJOURN

MOTION CARRIED

The Finance Committee meeting was adjourned at 7:37 p.m.

Alderman Ken Siegel
Committee Clerk